

# Blog

## The Strategic Network

October 2018

### Strategic Housing Network Blog

### 'How to build successful new communities – from masterplan to delivery'.

#### Introduction

Many councils are seeking to meet their objectively assessed need for new homes by allocating large new development sites – often for many thousands of new homes. These require a different approach to planning and enabling and HQN's recent conference brought together over 30 professionals to consider the issues that relate to this important area of work.

It was a great day with engaging input from delegates. The perspectives of housing associations, local authorities, master developers and a development corporation were considered alongside policy based updates. HQN received excellent feedback and extend thanks to delegates and speakers alike for their input.

#### Summary points

- The conference took us on a journey around large strategic sites in Oxfordshire, Bristol, Bath, Cornwall, Kent, Rugby, Cambridgeshire and London. Exhausting!
- We heard about how the garden city movement from the late 1890s is being brought back to life by the current funding available from Homes England. Multiple funding streams were explained, including their role as a 'patient lender'.
- We considered different forms of housing through the last few decades and how these have influenced the built environment in Thamesmead – some of which has been demolished and rebuilt, and some has been cherished.
- NHS England are keen to use large new development sites as a way of helping to improve health outcomes and reduce health inequalities. Simple design features can make a huge difference to the quality of life of residents and funding from NHS England is currently available to support this.

- Modern Methods of Construction present a challenge, not least the general public's perception of the product. Nonetheless the pressure is on to accelerate delivery and therefore providers and Homes England are commissioning more schemes using MMC as a way of testing innovation in the sector.
- Self build and eco homes in Cherwell were showcased with a 'plot shop' being particularly interesting.
- Delivery partnerships are essential and need to be established for the long term – sites may take 20 years to complete and councils, developers, housing associations, land owners and emerging community groups need to work together over many years.
- Engagement with the community at an early stage can flush out any local issues and tensions and pave the way for a smoother ride through the planning process. Early investment in this area saves time later on.
- Master developers who take control of sites, negotiate s106, put in the infrastructure, secure outline planning permission and then sell on parcels of land for up to 250 homes were considered. These master developers have a significant role to play in helping to meet the country's housing needs.
- In spite of that model, the experience of large sites in the South West suggests that it takes ten years before new homes start to emerge from large strategic sites. A similar finding to that in the recent Letwin Review.
- Large sites present a huge opportunity to work flexibly and deliver an innovative housing offer that meets the needs of the population now and into the future.

## Role of Homes England

The role of Homes England (HE) was considered and government's ongoing funding in housing, extending over the next CSR period, was set out. Pots of HE funding and related priorities include:

- An overall drive to accelerate the delivery of housing.
- Ongoing role for HE as a land owner – especially at Milton Keynes – and ambitions to expand into a role of master developer. Potential for this to expand as HE become the agent to dispose of MoD land for development.
- Commercial and infrastructure funding – role of HE as a 'patient lender' on schemes to improve viability and get things moving, and to front-fund infrastructure.
- Diversification in the market – HE are keen to support SME builders.
- Return to the garden city movement – return to Ebenezer Howard's principles with funding available
- OSM – concern at the length of time it takes to build homes, and the lack of construction skilled workers to meet demand. HE are therefore funding demonstrator sites to consider the potential for OSM to boost housing supply.

Useful resource:

<https://www.designcouncil.org.uk/resources/guide/building-life-12-third-edition>

## Healthy towns

People are living for longer and general health tends to get poorer as people age. There are several issues within the wider population which cannot be easily treated with medication. These are obesity, diabetes, mental health and loneliness. These issues can have a significant impact on NHS budgets and they therefore want to influence health outcomes further upstream. NHS England launched the Healthy Towns programme and has provided ten demonstrator sites with dedicated funding to support health improvement initiatives. These are varied and include:

- Health and well being hub
- Healthy food vouchers for new residents
- Allotments and public space to grow healthy food
- Safe walking and cycling routes
- Informal play spaces to encourage exercise.

Across the ten sites there are over 150 low level interventions that promote healthy lifestyles. These have been developed into ten 'principles' that can be applied on other large development sites.

Useful resource:

<https://www.england.nhs.uk/wp-content/uploads/2018/09/putting-health-into-place.pdf>

## Thamesmead

Coming at it from the housing association point of view, Thamesmead in London was put on show. This huge area is home to 45,000 people, spans 2 local authorities and includes 7km of waterways as well as housing, community facilities, green space, etc. It is a fascinating example of somewhere that gave people the opportunity to 'escape the slums' in London in the last century – many of which are now extremely high value and desirable places to live! Despite this Thamesmead is a positive place to be with residents valuing their local community. The importance of estate management and future budgets for management of communal spaces was highlighted as particularly important – low level and relatively cheap interventions that make a huge difference to the upkeep of the area and quality of life. Peabody have a massive job in regenerating the existing built environment, keeping the local community on board and delivering a new Thamesmead with some seriously scary numbers: 100,000 people; 35,000 homes and 20,000 jobs. A huge job and accolade for Peabody.

## **Eco Town and Self Build – The Cherwell Way**

Cherwell boasts the country's largest eco-town and has also developed a specialism in self build. Using large strategic sites, especially at Bicester, Cherwell offer two approaches to self build. One is 'golden brick' where the purchaser buys a serviced plot with a slab on which to build a house. The other is 'turn-key' where the occupant can choose housing design standards from a mix and match menu of options. These are sold at a 'plot shop'.

### **Master developers**

Financial risk and reward is the theme for master developers. The risk is astronomical. The reward is hard to quantify since it hinges on market conditions. Russian roulette? Maybe. And in the example given, the master developer opts to take 25-30% of the eventual house sale price, enabling them to share in the (hopefully) rising market. Taking ownership and master planning sites for 3-5000 new homes is a big job. The role of master developer is to buy the land, negotiate the s106, secure outline consent and then sell serviced parcels of land to smaller house builders in plots for 50-250 homes. House builders would then bring forward a design-code led planning application and away we go. Opening up the site from two ends can increase absorption rates. The master developer presenting to the conference has 38000 consented/un-consented homes and is responsible for building 23 schools. A huge investment in infrastructure! One key message – get the community engagement right at the start of the process. Investment in community engagement upstream will help to pave the way for delivery of housing further downstream.

### **RTPI Affordability Research**

Reflecting upon research for the RTPI into the affordability of housing on large sites in the South West, some hard facts were laid bare. House prices have gone up. New supply has gone down. Affordability has got worse. Of the large sites in the study, it took 10 years on average for the first homes to be delivered but when they started, 250-300 homes a year could be completed. A reality check for staff involved in the delivery of these sites...it is entirely possible that staff who are involved in master planning these sites may never get to see the first homes built...unless they stay around long enough! The skills and capacity of local authorities in dealing with large sites was mentioned with a typical response being to form bespoke delivery teams, pooling skills and responding quickly to major applications.

### **Ebbsfleet DC**

Development corporations are overseen by a board and are accountable to MHCLG, being an arm's length delivery vehicle. They have development management powers. The work at Ebbsfleet is to implement a vision for 15,000 new homes in a 21<sup>st</sup> century garden city. Over 1,100 new homes have been built, a further 3,000 have consent, a new primary school, pub, hotel and community centre have been built, and over £100m of capital has been spent. Challenges along the way of course, but nonetheless exciting work going on in Kent.

## About the author

Joanna Barrett is a Housing Consultant and Lead Associate for HQN's Strategic Network. Jo has twenty years' experience in senior housing roles in local authorities. This includes management and delivery of strategic housing, enabling, private sector housing, homelessness and housing advice services. She is a committed housing professional and is a Corporate Member of the Chartered Institute of Housing. She also has a first class honours degree in Housing Studies.